

Audit



Report

OFFICE OF THE INSPECTOR GENERAL

DEFENSE BASE REALIGNMENT AND CLOSURE
BUDGET DATA FOR THE RELOCATION OF
MARINE CORPS MANPOWER CENTER AT
MARINE CORPS COMBAT DEVELOPMENT COMMAND,
QUANTICO, VIRGINIA

Report No. 95-205

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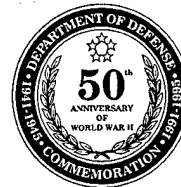
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Acronyms

BRAC	Base Realignment and Closure
COBRA	Cost of Base Realignment Actions
MILCON	Military Construction



INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884



Report No. 95-205

May 26, 1995

**MEMORANDUM FOR ASSISTANT SECRETARY OF THE NAVY (FINANCIAL
MANAGEMENT)**

SUBJECT: Audit of Defense Base Realignment and Closure Budget Data for the
Relocation of Marine Corps Manpower Center at Marine Corps Combat
Development Command, Quantico, Virginia (Project No. 5CG-5017.27)

Introduction

We are providing this audit report for your information and use. Public Law 102-190, "National Defense Authorization Act for Fiscal Years 1992 and 1993," December 5, 1991, directs the Secretary of Defense to ensure that the amount of the authorization that DoD requested from each military construction (MILCON) project associated with Defense base realignment and closure (BRAC) does not exceed the original estimated cost provided to the Commission on Defense Base Closure and Realignment (the Commission). If the requested budget amounts exceed the original project cost estimates provided to the Commission, the Secretary of Defense is required to explain to Congress the reasons for the differences. The Inspector General, DoD, is required to review each BRAC MILCON project for which a significant difference exists from the original cost estimate and to provide the results of the review to the congressional Defense committees. This report is one in a series of reports about FY 1996 BRAC MILCON costs.

Audit Results

The Marine Corps properly planned, programmed, and documented the FY 1996 BRAC MILCON requirement of \$17.4 million for project P-465T, "Marine Corps Manpower Center," in accordance with Navy criteria and public law.

Audit Objectives

The overall audit objective was to determine the accuracy of BRAC MILCON budget data. This report provides the results of the audit for the Marine Corps Manpower Center, Quantico, Virginia (Manpower Center), project P-465T, valued at \$17.4 million. The project will facilitate the relocation of nine manpower divisions of the Manpower and Reserve Affairs, Headquarters, Marine Corps, in Arlington, Virginia, to the Marine Corps Combat Development Command, Quantico, Virginia. This audit also assessed the adequacy of applicable management controls as they applied to the audit objectives.

Scope and Methodology

Scope of This Audit. We examined the FY 1996 BRAC MILCON budget request and related documentation regarding the relocation of nine manpower personnel divisions to Quantico, Virginia. We reviewed supporting documentation for project P-465T, valued at \$17.4 million. We did not use computer-processed data or statistical sampling procedures to conduct this audit. See Enclosure 2 for additional information on the BRAC process and the overall scope of the audit of BRAC MILCON costs.

Audit Standards and Locations. This economy and efficiency audit was conducted during February and March 1995 in accordance with auditing standards issued by the Comptroller General of the United States, as implemented by the Inspector General, DoD. Accordingly, we included those tests of management controls considered necessary. Enclosure 3 lists the organizations visited or contacted during the audit.

Prior Audits and Other Reviews

Since 1991, numerous reports have addressed DoD BRAC issues. Enclosure 1 lists selected DoD and Navy BRAC reports.

Discussion

BRAC MILCON Requirements. The Marine Corps projected a requirement for 151,500 gross square feet for the Manpower Center, project P-465T. The project was required to relocate nine manpower divisions from Headquarters, Marine Corps, Arlington, Virginia. The facility will accommodate approximately 907 authorized positions and is estimated to cost \$17.4 million.

BRAC MILCON Space Requirements. The Marine Corps properly justified the space requirement for the Manpower Center. We reviewed the DD Form 1391, "FY 1996 Military Construction Project Data," and supporting documents, including program requirements for the Manpower Center, facility support requirements, and the facility study. The Marine Corps based the justification for the 151,500 gross square feet proposed for the Manpower Center on criteria contained in the Secretary of the Navy Instruction 5910.7A, "Space and Facilities Management Procedures, National Capital Region," April 22, 1993. We did not verify the 56,039-gross-square-foot requirement for the general support space because general support space is included in the computation contained in the Secretary of the Navy Instruction for the total space requirement. We also computed the administrative space requirement using the Secretary of the Navy Instruction. Our computation showed that the Marine Corps efficiently planned the space requirement for the Manpower Center. The following table shows the total space requirements for the Manpower Center.

Total Space Requirements for the Manpower Center

	<u>Authorized Positions</u>	<u>Square Feet Per Position</u>	<u>Space Requirements (square feet)</u>
Private Office Space	73	175	12,775 ¹
Open Office Space	<u>834</u>	196	<u>163,464</u> ²
Total Required Space	907		176,239
Total Requested Space			<u>(151,500)</u>
Space Not Requested			24,739

¹Private office space requirements were based on the weighted average of the assigned net square feet per position.

²Open office space requirements were based on an office utilization rate of 125 square feet per person multiplied by a support space factor (.22) and a circulation factor (.35) which equates to 196 square feet per person.

BRAC MILCON Cost Requirements. On September 22, 1994, the Chesapeake Division, Naval Facilities Engineering Command, certified that the Manpower Center was ready for design at a cost of \$17.4 million. The Chesapeake Division confirmed the costs using the "Parametric Estimate and Program Study," September 30, 1994. The Chesapeake Division then forwarded the DD Form 1391, "FY 1996 Military Construction Project Data," to Headquarters, Naval Facilities Engineering Command, who further reviewed the project. We reviewed the supporting cost estimates for the Manpower Center. The costs for the Manpower Center were properly documented and supported.


Transfer of Authorized Positions. The Marine Corps Manpower and Reserve Affairs department will relocate 907 authorized positions from 9 manpower divisions. The authorized positions scheduled to relocate to the Manpower Center were properly documented and supported.

Marine Corps Workload Projections. The Marine Corps projected the relocation of nine manpower divisions for a 6-year period, concluding in FY 2000. The personnel projection for the Manpower Center is based on personnel strength levels. This projection is fiscally constrained and is considered to be a realistic forecast of the actual number of personnel that will be transferred to the Manpower Center. The Marine Corps projected that the Manpower Center will accommodate approximately 828 personnel by FY 2000. The proposed personnel reduction of 79 personnel by FY 2000 will not overstate the present estimate of 151,500 square feet for the Manpower Center.

Management Comments

We provided a draft of this report to the addressees on April 19, 1995. Because the report contained no findings or recommendations, written comments were not required, and none were received. Therefore, we are publishing this report in final form.

The cooperation and courtesies extended to the audit staff are appreciated. If you have questions on this report, please contact Mr. Wayne K. Million, Audit Program Director, at (703) 604-9312 (DSN 664-9312), or Mr. Nicholas E. Como, Audit Project Manager, at (703) 604-9303 (DSN 664-9303). Enclosure 4 lists the planned report distribution.



David K. Steensma
Deputy Assistant Inspector General
for Auditing

Enclosures

Summary of Prior Audits and Other Reviews

Inspector General, DoD

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
95-203	Defense Base Realignment and Closure Military Construction Budget Data for the Army Reserve Center, Sacramento, California	May 25, 1995
95-198	Defense Base Realignment and Closure Budget Data for the Closure of the Underway Replenishment Training Facility, Treasure Island, California, and Realignment to the Expeditionary Warfare Training Group Atlantic, Norfolk, Virginia	May 19, 1995
95-196	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Alameda, California, and Realignment to Puget Sound Naval Shipyard, Washington	May 17, 1995
95-191	Defense Base Realignment and Closure Budget Data for the Closure of Naval Reserve Readiness Center San Francisco, California, and Realignment to Naval and Marine Corps Reserve Center Alameda, California	May 15, 1995
95-172	Defense Base Realignment and Closure Budget Data for Griffiss Air Force Base, New York	April 13, 1995
95-154	Audit of Construction Budget Data for Realigning Naval Training Centers Orlando and San Diego to Various Locations	March 21, 1995
95-150	Defense Base Realignment and Closure Budget Data for Closing Naval Station Charleston, South Carolina, and Realigning Projects at Various Sites	March 15, 1995
95-051	Defense Base Realignment and Closure Budget Data for Closing Mare Island Naval Shipyard, California, and Realigning Projects to Various Sites	December 9, 1994

Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
95-041	Defense Base Realignment and Closure Budget Data for the Closure of Marine Corps Air Stations El Toro and Tustin, California, and the Realignment to Naval Air Station Miramar, California	November 25, 1994
95-039	Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, Realigning to Naval Air Station Fallon, Nevada	November 25, 1994
95-037	Realignment of the Fleet and Mine Warfare Training Center from Naval Station Charleston, South Carolina, to Naval Station Ingleside, Texas	November 23, 1994
95-029	Defense Base Realignment and Closure Budget Data for Naval Air Station Miramar, California, and Realigning Projects to Various Sites	November 15, 1994
95-010	Defense Base Realignment and Closure Budget Data for Marine Corps Air Station Tustin, California, and Realignment to Marine Corps Air Station Camp Pendleton, California	October 17, 1994
94-179	Defense Base Realignment and Closure Budget Data for McGuire Air Force Base, New Jersey; Barksdale Air Force Base, Louisiana; and Fairchild Air Force Base, Washington	August 31, 1994
94-146	Defense Base Realignment and Closure Budget Data for Closing Naval Air Station Cecil Field, Florida, and Realigning Projects to Various Sites	June 21, 1994
94-141	Defense Base Realignment and Closure Budget Data for Naval Air Stations Dallas, Texas, and Memphis, Tennessee, Realigning to Carswell Air Reserve Base, Texas	June 17, 1994

Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
94-127	Defense Base Realignment and Closure Budget Data for the Realignment of the Defense Personnel Support Center to the Naval Aviation Supply Office Compound in North Philadelphia, Pennsylvania	June 10, 1994
94-126	Defense Base Realignment and Closure Budget Data for the Closure of Naval Air Station Glenview, Illinois, and Realignment Projects at Fort McCoy, Wisconsin, and Carswell Air Reserve Base, Texas	June 10, 1994
94-125	Defense Base Realignment and Closure Budget Data for the Naval Medical Center Portsmouth, Virginia	June 8, 1994
94-121	Defense Base Realignment and Closure Budget Data for Naval Air Technical Training Center, Naval Air Station Pensacola, Florida	June 7, 1994
94-109	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Training Center Great Lakes, Illinois	May 19, 1994
94-108	Quick-Reaction Report on the Audit of Defense Base Realignment and Closure Budget Data for Naval Station Treasure Island, California	May 19, 1994
94-107	Griffiss Air Force Base, New York, Defense Base Realignment and Closure Budget Data for Military Construction at Other Sites	May 19, 1994
94-105	Defense Base Realignment and Closure Budget Data for a Tactical Support Center at Naval Air Station Whidbey Island, Washington	May 18, 1994
94-104	Defense Base Realignment and Closure Budget Data for the Defense Contract Management District-West	May 18, 1994

Summary of Prior Audits and Other Reviews

Inspector General, DoD (cont'd)

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
94-103	Air Force Reserve 301st Fighter Wing Covered Aircraft Washrack Project, Carswell Air Reserve Base, Texas	May 18, 1994
94-040	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for FYs 1993 and 1994	February 14, 1994
93-100	Summary Report on the Audit of Defense Base Closure and Realignment Budget Data for Fiscal Years 1992 and 1993	May 25, 1993

Naval Audit Service

<u>Report No.</u>	<u>Report Title</u>	<u>Date</u>
041-S-94	FY 1995 Military Construction Projects From Decisions of 1993 Base Closure and Realignment Commission	April 15, 1994
023-S-94	Military Construction Projects Budgeted and Programmed for Bases Identified for Closure or Realignment	January 14, 1994
028-C-93	Implementation of the 1993 Base Closure and Realignment Process	March 15, 1993

Background of Defense Base Realignment and Closures and Scope of the Audit of FY 1996 Defense Base Realignment and Closure Military Construction Costs

Commission on Defense Base Closure and Realignment. On May 3, 1988, the Secretary of Defense chartered the Commission on Defense Base Closure and Realignment (the Commission) to recommend military installations for realignment and closure. Congress passed Public Law 100-526, "Defense Authorization Amendments and Base Closure and Realignment Act," October 24, 1988, which enacted the Commission's recommendations. The law also established the DoD Base Closure Account to fund any necessary facility renovation or MILCON projects associated with BRAC. Public Law 101-510, "Defense Base Closure and Realignment Act of 1990," November 5, 1990, reestablished the Commission. The law also chartered the Commission to meet during calendar years 1991, 1993, and 1995 to verify that the process for realigning and closing military installations was timely and independent. In addition, the law stipulates that realignment and closure actions must be completed within 6 years after the President transmits the recommendations to Congress. The following table summarizes the current estimated costs and net savings for the previous three BRAC actions and the actions recommended in the 1995 Commission decisions:

BRAC Costs and Savings
(Billions of FY 1996 Dollars)

	<u>BRAC Actions</u>		<u>Closure Costs</u>	<u>6-Year Net Savings</u>	<u>Recurring Annual Savings</u>	<u>Total Savings</u>
	<u>Realignments</u>	<u>Closures</u>				
1988	86	59	\$ 2.2	\$0.3	\$0.7	\$ 6.8
1991	34	48	4.0	2.4	1.6	15.8
1993	<u>130</u>	<u>45</u>	<u>6.9</u>	<u>0.4</u>	<u>1.9</u>	<u>15.7</u>
Subtotal	250	152	13.1	3.1	4.2	38.3
1995	<u>113</u>	<u>33</u>	<u>3.8</u>	<u>4.0</u>	<u>1.8</u>	<u>18.4</u>
Total	363	185	\$16.9	\$7.1	\$6.0	\$56.7

Military Department BRAC Cost-Estimating Process. To develop cost estimates for the Commission, the Military Departments used the Cost of Base Realignment Actions computer model (COBRA). COBRA uses standard cost factors to convert the suggested BRAC options into dollar values to provide a way to compare the different options. After the President and Congress approve the BRAC actions, DoD realigning activity officials prepare a DD Form 1391, "FY 1996 Military Construction Project Data," for each individual MILCON project required to accomplish the realigning actions. COBRA provides cost estimates as a realignment and closure package for a particular realigning or closing base. The DD Form 1391 provides specific cost estimates for an individual BRAC MILCON project.

**Background of Defense Base Realignment and Closures and Scope of the Audit of
FY 1996 Defense Base Realignment and Closure Military Construction Costs**

Limitations and Expansion to Overall Audit Scope. Because COBRA develops cost estimates as a BRAC package and not for individual BRAC MILCON projects, we were unable to determine the amount of cost increases for each individual BRAC MILCON project. Additionally, because of prior audit efforts that determined potential problems with all BRAC MILCON projects, our audit objectives included all large BRAC MILCON projects.

Overall Audit Selection Process. We reviewed the FY 1996 BRAC MILCON \$1.4 billion budget submitted by the Military Departments and the Defense Logistics Agency. We excluded projects that were previously reviewed by DoD audit organizations. We grouped the remaining BRAC MILCON projects by location and selected groups of projects that totaled at least \$1 million for each group.

Organizations Visited or Contacted

Office of the Secretary of Defense

Under Secretary of Defense (Comptroller), Washington, DC

Department of the Navy

Assistant Secretary of the Navy (Financial Management), Washington, DC

Assistant Secretary of the Navy (Installations and Environment), Washington, DC

Deputy Assistant Secretary of the Navy (Installations and Facilities),
Washington, DC

Comptroller of the Navy, Washington, DC

Naval Facilities Engineering Command, Alexandria, VA

Chesapeake Division, Washington, DC

Headquarters, Marine Corps, Arlington, VA

Manpower and Reserve Affairs, Arlington, VA

Marine Corps Systems Command, Arlington, VA

Marine Corps Combat Development Command, Quantico, VA

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Senate Subcommittee on Defense, Committee on Appropriations

Senate Committee on Armed Services

Senate Committee on Governmental Affairs

House Committee on Appropriations

House Subcommittee on National Security, Committee on Appropriations

House Committee on Government Reform and Oversight

House Subcommittee on National Security, International Affairs, and Criminal

Justice, Committee on Government Reform and Oversight

House Committee on National Security

Honorable Charles S. Robb, U.S. Senate

Honorable John W. Warner, U.S. Senate

Honorable Thomas M. Davis III, U.S. House of Representatives

Honorable James P. Moran, U.S. House of Representatives

Audit Team Members

This report was prepared by the Contract Management Directorate, Office of the Assistant Inspector General for Auditing, Department of Defense.

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